

Message Text

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ACTION EB-08

INFO OCT-01 EA-07 ISO-00 COME-00 L-03 TRSE-00 OPIC-03 H-01
/023 W

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P 160905Z FEB 77

FM AMEMBASSY JAKARTA

TO SECSTATE WASHDC PRIORITY 9325

LIMITED OFFICIAL USE JAKARTA 2143

E.O. 11652: N/A

TAGS: EINV, ID

SUBJECT: P.T. BAUD

REF : STATE 030470 AND PREVIOUS

1.DUE TO INABILITY TO OBTAIN EARLY APPOINTMENTS WITH
MINFIN DIRGEN FOR MONETARY AFFAIRS JULIANTO, ECON COUNS
AND EMBOFF MET FEB 16 WITH HIS DEPUTY IRSAN TANJUNG
AND NEWLY APPOINTED DIRECTOR FOR INVESTMENT AND OFFICIAL
HOLDINGS MARZUKI USMAN. LATTER WAS INTRODUCED AS OFFICER
WHO WOULD HENCEFORTH BE CONCERNED WITH P.T. BAUD CASE,
BUT SUBSEQUENT DISCUSSION LEADS US TO DOUBT THAT HE WILL
BE SPENDING MUCH TIME ON THE MATTER.

2. TANJUNG WAS UNMOVED BY ECON COUNS EXPRESSION OF
CONCERN THAT APPARENT GOI INTRANSIGENCE COULD STRENGTHEN
SEA OIL'S CASE IN CONGRESSIONAL EYES AND POSSIBLY AGAIN
RAISE QUESTION OF SANCTIONS. HE REPLIED IN AN AMICABLE
BUT MATTER-OF-FACT TONE THAT GOI DOES NOT BELIEVE
THERE IS A CASE BETWEEN ITSELF AND SEA OIL. THIS
HAD BEEN STATED IN MINISTER WARDHANA'S NOVEMBER 30
REPLY TO ICC REFUSING THE SEA OIL REQUEST FOR CON-
CILIATION, IN WHICH ICC ALSO WAS TOLD IT HAD NO JURISDICTION
IN THE MATTER. SIMILAR WORDING WILL BE USED IN THE
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MINISTER'S REPLY TO THE JANUARY 14 ICC REQUEST FOR
ARBITRATION WHICH TANJUNG EXPECTED TO BE SIGNED SHORTLY.
HE PROMISED TO TRY TO OBTAIN FOR US COPIES OF BOTH LETTERS
AS WELL AS OF ONE SENT RECENTLY BY THE MINISTER TO
SEA OIL PRESIDENT CHARLES SULLIVAN IN WHICH SULLIVAN
WAS TOLD THE \$450,000 GOI OFFER WAS FINAL. (FYI -
TANJUNG SAID THE GOI HAD RECENTLY BEEN INFORMED IN A

LETTER FROM SULLIVAN THAT HE HAD DISASSOCIATED HIMSELF FROM SEA OIL. END FYI) TANJUNG EXPLAINED THAT THE OFFER WAS TO COMPENSATE FOR ASSETS ON THE LAND, BUT NOT FOR THE LAND ITSELF, TITLE TO WHICH WAS LOST THROUGH SEA OIL NEGLECT.

3. COMMENT: TANJUNG SAID GOI HAD BEEN ALERTED BY PREVIOUS EMBOFFS TO THE POSSIBILITY OF SANCTIONS. OBVIOUSLY THEY HAVE NOT MATERIALIZED. WHILE HE DID NOT SAY SO, WE WERE LEFT WITH IMPRESSION THE GOI JUST DOES NOT BELIEVE THE POSSIBILITY OF CONGRESSIONAL SANCTIONS IS VERY GREAT. THERE SEEMS NO DOUBT THAT GOI MEANS IT WHEN IT SAYS THAT SEA OIL CLAIMS FOR COMPENSATION FOR LAND ARE BASELESS, THAT THERE REALLY IS NOTHING FOR THE TWO PARTIES TO DISCUSS AND THAT ITS OFFER OF \$450,000 FOR ABOVE GROUND ASSETS IS FINAL. WORD THAT SULLIVAN HAS TERMINATED HIS ASSOCIATION WITH SEA OIL HAS ADDED TO GOI BELIEF THAT IT IS IN THE RIGHT. WE HAVE NO RECOMMENDATIONS TO MAKE, BUT, BASED ON OUR CURRENT IMPRESSIONS, WE DO NOT EXPECT GOI TO DEVIATE MUCH, IF AT ALL, FROM ITS CURRENT POSITION.
GARDNER

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PETROLEUM, CORRUPTION, INVESTMENTS, SANCTIONS
Control Number: n/a
Copy: SINGLE
Sent Date: 16-Feb-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Drafter: n/a
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Executive Order: N/A
Errors: N/A
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Handling Restrictions: n/a
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ISecure: 1
Legacy Key: link1977/newtext/t19770237/aaaabgig.tel
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Litigation Codes:
Litigation History:
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Message ID: 89154bc6-c288-dd11-92da-001cc4696bcc
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Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
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Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3309098
Secure: OPEN
Status: NATIVE
Subject: P.T. BAUD
TAGS: EINV, ID, P T BAUD, (JULIANTO), (TANJUNG, IRSAN), (USMAN, MARZUKI), (SULLIVAN, CHARLES)
To: STATE
Type: TE
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